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No. 08-445

IN THE
Supreme Court of the United States

FINISAR CORPORATION,

Petitioner,

v.

THE DIRECTV GROUP, INC., DIRECTV HOLDINGS LLC, DIRECTV ENTERPRISES LLC, DIRECTV OPERATIONS LLC, HUGHES NETWORK SYSTEMS, INC., AND DIRECTV, INC.,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

REPLY TO BRIEF IN OPPOSITION

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REPLY TO BRIEF IN OPPOSITION

DIRECTV's brief provides no valid justification for the Federal Circuit's decision to contradict the plain language of 35 U.S.C. § 112 and to ignore its own settled precedents. Because the Federal Circuit's new rule indefensibly disrupts settled expectations of the inventing community, including expectations of the Patent Office, and because the question presented is an important and recurring issue, this Court should grant certiorari.

I. The Federal Circuit's "Algorithm" Requirement Contradicts The Plain Language of Section 112

DIRECTV begins its defense of the Federal Circuit's rule with the assertion that section 112, paragraph 6 "requires the patent's specification to describe *in sufficient detail* the structure designed to perform the claimed function." Opp. 2 (emphasis added). But that statutory provision says no such thing. Rather, it states:

> An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover *the corresponding structure, material, or acts described in the specification* and equivalents thereof.

35 U.S.C. § 112, ¶ 6 (emphasis added).

The statute requires a means-plus-function element to be construed if there is "corresponding structure...described in the specification." Thus, it

only requires disclosure of *some* structure. It does not require any particular level of "detail," and it certainly does not require an "algorithm."

To revisit the example given in *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17, 27 (1997), if a claim requires "means for connecting Part A to Part B" and if the specification discloses "a two-penny nail" as the connecting structure, the claim is not invalid merely because the specification omits further "details," such as the material from which the nail is made. Rather, the claim element covers any "two-penny nail" regardless of its composition.

In this case, there is no dispute that *some* structure is described in the specification. The '505 patent discloses a "CPU" executing "software," and the software is said to generate indices and embed those indices in a database. Pet. App. 35a-36a. DIRECTV concedes that a "CPU" is a general-purpose computer, Opp. 8, and a computer is undoubtedly a "structure." Indeed, when the "CPU" is programmed with "software" to perform the generating and embedding functions, it becomes a "special-purpose computer," which DIRECTV agrees is a "structure." *See* Opp. 7. As such, the requirement for some structure is met.

At one point, DIRECTV states that a general-purpose computer "has no well-known structure." Opp. 14. If that statement is meant to contend that computers are not well known or are not known to be structures, it is so far afield from reality that it cannot be taken seriously. On the other hand, if the statement means that details of a computer can vary from one computer to another, that fact is just as

irrelevant as the fact that details of "a two-penny nail" can vary from one to another.

To be sure, there is another paragraph of section 112 that could *potentially* require the disclosure of additional details, namely the *enablement requirement* found in section 112, paragraph 1. That provision requires sufficient disclosure "as to enable any person skilled in the art...to make and use" the invention. 35 U.S.C. § 112, ¶ 1. In other words, if a computer programmer would not know how to program a computer to perform a given function without disclosure of an algorithm, then a patent must disclose an algorithm. However, there is no genuine dispute that the enablement requirement is met here. DIRECTV makes much of the fact that the "specification merely repeats the claimed function," Opp. 9-10, but the evidence shows that this is sufficient information for an ordinary computer programmer. In other words, a programmer would know how to create software for a "CPU" to perform the "generating" and "embedding" functions based on this minimal disclosure.* Indeed, DIRECTV

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* As Finisar's petition explains, the record contains expert testimony to this effect. Pet. 8 (citing Dkt. Nos. 43, 67, 87). At one point, DIRECTV points to a declaration by another expert who opines that he "would not know how to build" the software necessary to generate indices. Opp. 11 (citing Dkt. No. 39). But DIRECTV neglects to inform the Court that this opinion relies on an unduly narrow interpretation of the term "generating," which DIRECTV later abandoned so that it could successfully prove lack of novelty for one of the method claims. *See* Pet. App. 10a, 23a-31a. As such, DIRECTV is judicially estopped from relying on this narrow interpretation, and the expert's declaration is not material. At most, the declaration would raise a genuine issue as to enablement, improperly resolved against Finisar on summary judgment.

concedes that the enablement requirement should not be "conflated" with the more stringent "algorithm" requirement that the Federal Circuit has now imposed for computer-implemented functions. Opp. 7-8.

Nor does the definiteness requirement found in section 112, paragraph 2 give rise to the Federal Circuit's stringent "algorithm" requirement. That provision only requires that patent claims "particularly point[] out and distinctly claim[] the subject matter which the applicant regards as his invention." 35 U.S.C. § 112, ¶ 2. Well-established precedent confirms that this is a requirement for *clarity*: "If the scope of subject matter embraced by a claim is clear..., then the claim does particularly point out and distinctly claim the subject matter which the applicant regards as his invention." *In re Borkowski*, 422 F.2d 904, 909 (CCPA 1970); CHISUM ON PATENTS § 8.03[2] ("Definiteness means that the language of the claims must clearly set forth the area over which the applicant seeks exclusive rights."). In contrast, the Federal Circuit's new "algorithm" requirement does not seek to *clarify*, but to limit the *breadth* of computer-implemented claim elements. DIRECTV provides no rebuttal to the well-established principle that "breadth is not to be equated with indefiniteness." *In re Miller*, 441 F.2d 689, 693 (CCPA 1971).

In summary, in requiring an "algorithm" for all computer-implemented functions, the Federal Circuit has grafted a "sufficient detail" requirement onto section 112 that is more stringent than the enablement requirement found in paragraph 1, more stringent than the definiteness requirement found in

paragraph 2, and more stringent than the structure requirement found in paragraph 6. This disregard for the plain language of section 112 cries out for correction.

II. DIRECTV's Justifications For The Federal Circuit's Rule Do Not Withstand Scrutiny

Unsupported by the plain language of section 112, DIRECTV attempts to justify the Federal Circuit's rule by reciting various policy considerations. But the policies to which DIRECTV appeals are inapplicable.

First, DIRECTV implies that the Federal Circuit's "algorithm" requirement is necessary to prevent a means-plus-function element from covering "any and all later inventions...that perform that function." Opp. 3. This was the reasoning relied on below. Pet. App. 37a (alleging "pure functional claiming").

That reasoning is faulty. As long as there is *some* structure disclosed in the specification, the claim element *is* limited (by operation of section 112, paragraph 6) so that it does not cover all structures that perform the function, but only "the corresponding structure...described in the specification and equivalents thereof." There is no further need for an "algorithm" to achieve this limitation. Here, a "CPU" is disclosed for performing the claimed functions, and therefore the claim element does not cover *all* structures for performing those functions, but only a CPU "and equivalents thereof."

Second, DIRECTV contends that an "algorithm" must be required "so that the patent does not occupy

more of the field of art than what has truly been invented." Opp. 3. The first flaw in this contention is that it ignores the statutory scheme that Congress has already designed for addressing that concern. As previously explained, the existing statutory requirements of novelty, nonobviousness, and enablement already ensure "that the patent does not occupy more of the field of art than what has truly been invented." *See* Pet. 3-4, 13-14. The Federal Circuit's "algorithm" rule improperly legislates additional requirements into that scheme.

The second flaw in DIRECTV's contention is that it mistakenly assumes that "what has truly been invented" always has something to do with an algorithm. But it may well be that an algorithm is not important to the invention. In other words, the novelty of a claimed combination may arise from other elements in the claim or from the claimed combination as a whole, and not from any particular algorithm. Thus, it does not matter that a means-plus-function element may be broad enough to cover a computer using any well-known algorithm to perform the claimed function. As this Court recently explained, "a patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art." *KSR International Co. v. Teleflex Inc.*, 550 U.S. ___, 127 S.Ct. 1727, 1741 (2008).

That principle is true here. The claim is for "[a]n information transmission system" consisting of a combination of multiple elements, and the means-plus-function element is merely one element in that combination. Pet. App. 35a, 43a-44a. The claim also requires computer memory devices, a database, a

transmission scheduler, a transmitter, subscriber stations, and data filters, all interrelated in specified ways. '505 Patent at 17:68-18:36. The particular algorithm used by the CPU to generate indices and embed them in the database does not matter. The invention is the novel combination of *all* of the elements. Thus, there is no need for disclosure of a specific "algorithm" to ensure that the claim covers "what has truly been invented."

Third, DIRECTV asserts that an "algorithm" should be required because otherwise, "the public cannot possibly know what is being claimed by the patentee." Opp. 8. That assertion is also false. When, as here, the structure for performing the claimed function is clearly identified, it is quite clear "what is being claimed by the patentee." The claim element covers a "CPU" performing any algorithm that carries out the claimed function. There is nothing unclear about it. By analogy, there is nothing unclear about a claim element that covers any "two-penny nail," even though a nail could be made from a variety of materials.

III. The Federal Circuit's Rule Is Refuted, Not Supported, By Longstanding Precedent

DIRECTV contends that the Federal Circuit's rule "adhere[s] to long-established law." Opp. 12. That contention is false.

Incredibly, the "well-established precedent" to which DIRECTV refers includes the *Aristocrat* decision, Opp. 5, which was only *three weeks old* when the Federal Circuit decided the present case and which is now the subject of a companion petition before this Court in No. 08-446. The other four cases

cited by DIRECTV (dating back to only 1999) stand merely for the proposition that when an algorithm *is* disclosed, the "corresponding structure" is "'not the general purpose computer, but rather the special purpose computer programmed to perform the disclosed algorithm.'" Opp. 6 (quoting *WMS Gaming, Inc. v. International Game Technology*, 184 F.3d 1339, 1349 (Fed. Cir. 1999)). None of the four cases holds that an algorithm is *required*.

Instead of supporting DIRECTV's arguments, longstanding precedent directly repudiates them. As mentioned above, DIRECTV argues that section 112, paragraph 6 imposes a more stringent "sufficient details" requirement than the enablement requirement in section 112, paragraph 1. Opp. 2-11. But well-established precedent holds that paragraph 6 "does not add any additional description requirement to that set forth in the first paragraph of the section." *In re Knowlton*, 481 F.2d 1357, 1366 (CCPA 1973); *accord* CHISUM ON PATENTS § 8.04[2][d ("[T]he last paragraph imposes no higher standard of adequate disclosure than that otherwise required by the first paragraph of Section 112.").

DIRECTV also suggests that the definiteness requirement in section 112, paragraph 2 (as applied in the means-plus-function context) might be the source of the more stringent "sufficient details" requirement. Opp. 2-11. Well-established precedent repudiates that position as well: As long as the claimed function(s) themselves are not unclear, an indefiniteness rejection of a means-plus-function element "cannot stand where there is adequate description in the specification to satisfy 35 U.S.C.

§ 112, first paragraph." *In re Noll*, 545 F.2d 141, 149 (CCPA 1976).

DIRECTV attempts to distinguish the Federal Circuit's precedents involving computer-implemented functions as "fact-intensive inquir[ies]." Opp. 12-14. But whatever the facts, it is clear that the *law* applied in those cases was not DIRECTV's "sufficient details" standard or the Federal Circuit's new "algorithm" rule. In *Noll*, the word "algorithm" does not appear, and the court expressly rejected an argument that the specification must "disclose the detailed internal structure of the computer as programmed." 545 F.2d at 149. In *Dossel*, the court went out of its way to state that the specification "does not disclose exactly what mathematical algorithm will be used." 115 F.3d 942, 946 (Fed. Cir. 1997). Nor does DIRECTV provide any reason to ignore two precedential characterizations of *Dossel* as a case involving a general-purpose computer without any particular algorithm. *See* Pet. 19 (citing *Intel* and *Personalized Media*).

In summary, the Federal Circuit's new rule improperly upsets the "settled expectations" set by its past precedents. *See Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S 722, 739 (2002).

IV. DIRECTV's Procedural Arguments Provide No Justification for Denying Certiorari

Significantly, DIRECTV does not dispute that the question presented here and in the *Aristocrat* case is a recurring and therefore an important one. *See* Opp. 15. However, DIRECTV argues against granting certiorari for procedural reasons.

DIRECTV first asserts that certiorari should not be granted in this case because it "stands in an interlocutory posture." Opp. 16. This is true only in the sense that there are *other* claims of the '505 patent involved in remand proceedings. The claims at issue here have been finally held invalid. No remand was ordered for them. Pet. App. 34a-37a.

DIRECTV further argues that the *other* claims on remand *may* be found to lack novelty or nonobviousness, that those claims are "effectively identical" to the claims here, and that such a finding for those claims "would likely apply" to these claims. Opp. 16-17. This Court should not countenance such bald speculation, nor such gross generalizations. "Each claim of a patent...shall be presumed valid independently of the validity of other claims." 35 U.S.C. § 282.

DIRECTV also argues against granting certiorari in this case because the '505 patent is currently being reexamined by the Patent Office. Opp. 17-18. Ironically, the reexamination of the '505 patent only further demonstrates how disruptive the Federal Circuit's new rule is.

Over twelve years ago, the Patent Office promulgated guidelines "to assist Office personnel in the examination of applications drawn to computer-related inventions." 61 Fed. Reg. 7478, 7479 (Feb. 28, 1996). Significantly, those guidelines expressly approved means-plus-function elements covering the "well-defined structure of a computer" or "[a] programmed computer with particular functionality implemented in hardware or hardware and software." *Id.* at 7486.

In 2000, the Patent Office promulgated additional guidelines for analyzing means-plus-function elements. 65 Fed. Reg. 38510 (Jun. 21, 2000). One of those guidelines further repudiates the Federal Circuit's position here: "35 U.S.C. 112, ¶ 6 does not impose any requirements in addition to those imposed by 35 U.S.C. § 112, ¶ 1." *Id.* at 38514. That guideline remains in force at the Patent Office today. MANUAL OF PATENT EXAMINING PROCEDURE § 2181 (8th ed., Rev. 7, July 2008), *available at* http://www.uspto.gov/web/offices/pac/mpep/mpep_e8r6_2100.pdf. So also are guidelines explaining that structure need only be disclosed "in a way that one skilled in the art will understand what structure...will perform the recited function" and that "[b]readth of a claim is not to be equated with indefiniteness." *Id.* at § 2181, § 2173.04.

Given these guidelines, the Patent Office has had no difficulty in the reexamination applying the plain language of section 112, paragraph 6 to the claims at issue here. It has *not* found the claims to be indefinite. The fact that the Federal Circuit's new rule is completely contrary to the Patent Office's longstanding view of the law only further demonstrates that the new rule will disrupt "the settled expectations of the inventing community." *Festo*, 535 U.S. at 739. Indeed, in light of the Patent Office's longstanding guidelines, it may be wise for this Court to request the views of the Solicitor General on the question presented.

DIRECTV asserts that the Patent Office *may* ultimately conclude in the reexamination that the claims at issue here are invalid for lack of novelty or for obviousness. Opp. 17-18. That assertion is mere

speculation. This Court's decision on certiorari should not be based on what the Patent Office *may* do. Moreover, any final decision will not be reached until after a lengthy appeal process. 35 U.S.C. § 307(a). The more relevant observation is that if this Court denies certiorari, the Patent Office will be forced to defer to the Federal Circuit's erroneous rule.

Of course, as Finisar stated in its petition, the most efficient course would be to grant certiorari in the *Aristocrat* case and to hold the petition here pending that decision. In that scenario, all of the "vehicle" arguments addressed above evaporate. DIRECTV argues that Finisar's petition does not deserve to be held pending the *Aristocrat* case, asserting that the "crux" of Aristocrat's petition is an argument Finisar has not made. Opp. 15. But the argument to which DIRECTV refers is merely the first argument made in Aristocrat's petition, not the "crux" of that petition. Pet. in 08-446 at 16-21. Aristocrat's second argument is precisely the argument that Finisar has advanced here and throughout this case. *Id.* at 21-24. The questions presented are the same.

Finally, DIRECTV suggests the Court should wait to address the question presented in either the *Aristocrat* case or this case until there is an inter-circuit conflict. Opp. 11-12. That suggestion rings hollow in light of the Federal Circuit's near-exclusive jurisdiction over patent matters, 28 U.S.C. §§ 1295(a)(1) & (a)(4), and the disruptiveness of the Federal Circuit's erroneous new rule.

CONCLUSION

This Court should grant certiorari and reject the Federal Circuit's rule requiring an "algorithm" for computer-implemented functions.

Respectfully submitted,

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